

EXHIBIT 36

Fiscal 2017 Review of AIF and Peer Data



Trustee Budget and Finance Committee
May 10, 2018



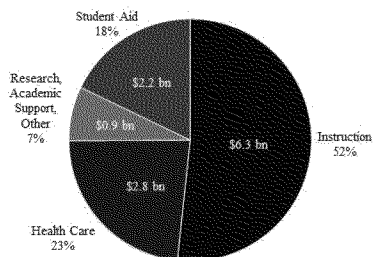
Penn Endowment Summary

As of 6/30/17

Endowment by Purpose

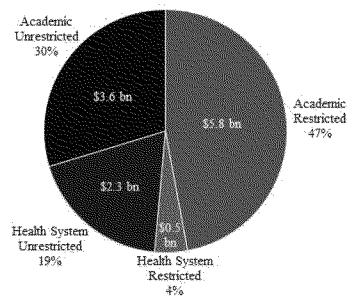
As of 6/30/17, \$9.4 billion of Penn's \$12.2 billion endowment was held by academic schools and centers. The remaining \$2.8 billion was held by the Health System.

A specific purpose is noted for each of the 7,000+ endowment accounts. For instance, \$2.2 billion is dedicated to student aid and \$6.3 billion is dedicated to academic instruction.



Endowment by Restriction

Just over half of Penn's endowment is restricted by account terms (about 30% is permanently restricted), leaving Penn with \$5.9 billion of unrestricted endowment funds. The academic component of Penn holds \$3.6 billion of this and the Health System holds the remaining \$2.3 billion.

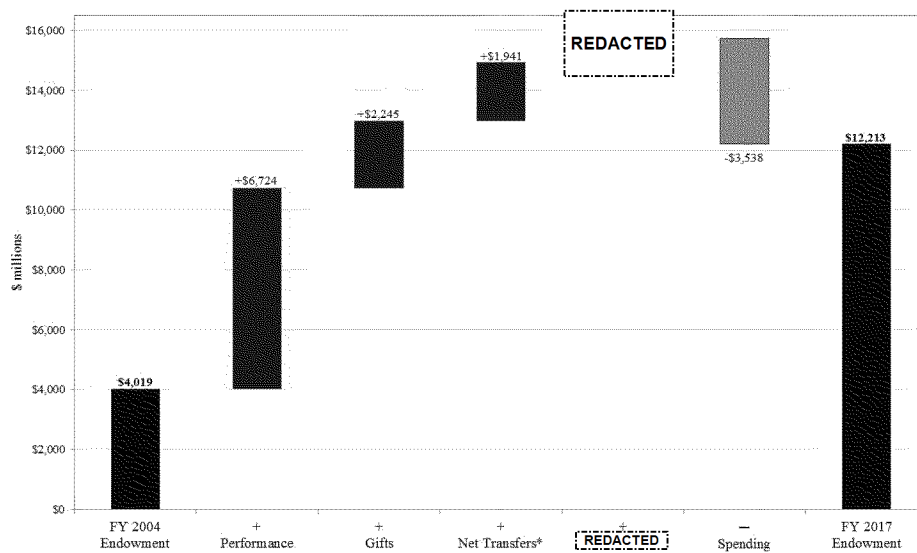


Endowment by Investment Vehicle

REDACTED



Decomposition of Change in Penn's Endowment Value

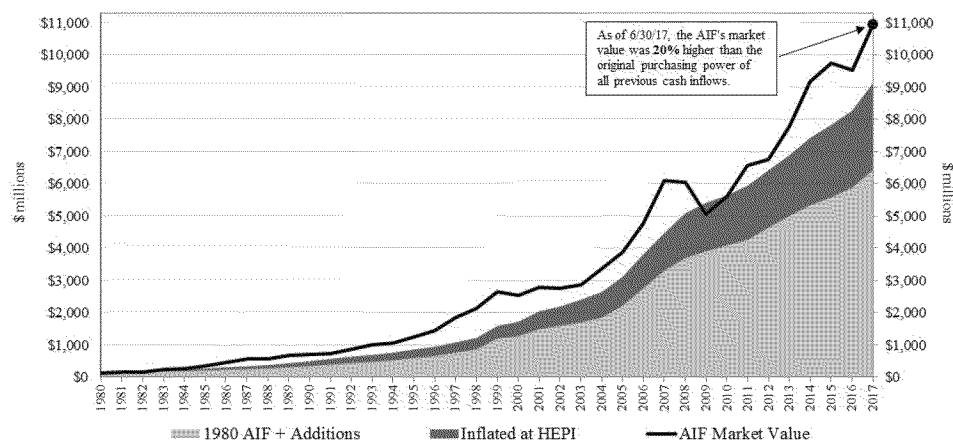


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Purchasing Power of the AIF

Fiscal year end market values above the total shaded area indicate that aggregate AIF purchasing power, after all historical spending, is higher than the original purchasing power of all previous cash inflows.



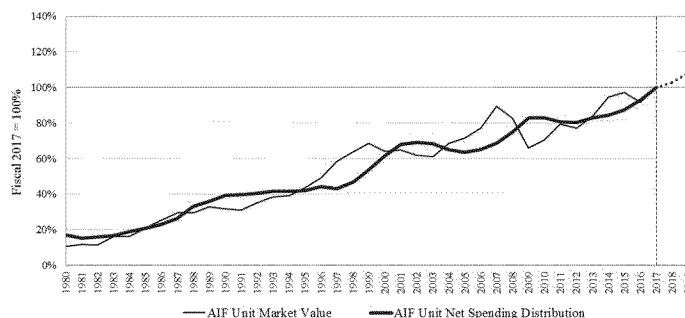


Purchasing Power of a Typical AIF Unit

Nominal History of a Typical AIF Unit

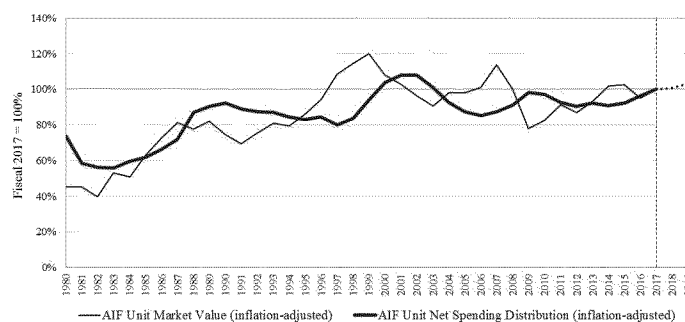
In nominal terms, the market value and net spending distribution of a typical AIF unit have steadily increased over time.

Market values and spending distribution amounts in the charts are relative to 100% of fiscal 2017 values.



Purchasing Power History of a Typical AIF Unit

By adjusting nominal values for higher education inflation (HEPI), we calculate the purchasing power history of a typical AIF unit. Historical points above 100% indicate inflation-adjusted unit market value or inflation-adjusted unit spending was higher in the past compared to fiscal year 2017.





Largest University Endowments

Reported Endowment Size by Year (\$mm)

6/30/97		6/30/07		6/30/12		6/30/17	
Harvard	\$10,920	Harvard	\$34,635	Harvard	\$30,435	Harvard	\$36,022
Texas	6,710	Yale	22,530	Yale	19,345	Yale	27,176
Yale	5,742	Stanford	17,165	Texas	18,264	Texas	26,535
Princeton	4,941	Princeton	15,787	Stanford	17,036	Stanford	24,785
Stanford	4,474	Texas	15,614	Princeton	16,954	Princeton	23,812
Emory	4,274	MIT	9,980	MIT	10,150	MIT	14,968
California	3,133	Columbia	7,150	Michigan	7,691	Penn	12,213
MIT	3,046	Michigan	7,090	Columbia	7,654	Texas A&M	11,556
Columbia	3,039	Penn	6,635	Texas A&M	7,639	Michigan	10,936
Texas A&M	2,951	Texas A&M	6,590	Northwestern	7,119	Northwestern	10,437
Wash U	2,798	Northwestern	6,503	Penn	6,755	Columbia	9,997
Penn	2,535	California	6,439	Chicago	6,571	California	9,788
Rice	2,322	Chicago	6,204	Notre Dame	6,330	Notre Dame	9,352
Cornell	2,125	Notre Dame	5,977	California	5,963	Duke	7,911
Chicago	2,031	Duke	5,910	Duke	5,555	Wash U	7,861
Michigan	1,989	Wash U	5,568	Emory	5,461	Chicago	7,524
Northwestern	1,799	Emory	5,562	Wash U	5,226	Emory	6,905
Notre Dame	1,468	Cornell	5,425	Cornell	4,947	Cornell	6,758
Vanderbilt	1,340	Rice	4,670	UVA	4,789	UVA	6,394
Dartmouth	1,278	UVA	4,370	Rice	4,419	Rice	5,814
USC	1,205	Dartmouth	3,760	USC	3,489	USC	5,128
Johns Hopkins	1,157	USC	3,715	Dartmouth	3,486	Dartmouth	4,956
Duke	1,134	Vanderbilt	3,488	Vanderbilt	3,399	Ohio State	4,253
UVA	1,099	Johns Hopkins	2,800	NYU	2,755	Vanderbilt	4,136
Brown	950	Brown	2,781	Brown	2,624	NYU	3,992
NYU	854	Ohio State	2,338	Pitt	2,618	Penn State	3,991
Ohio State	768	Pitt	2,254	Johns Hopkins	2,593	Pitt	3,946
Pitt	652	NYU	2,162	Ohio State	2,366	Johns Hopkins	3,845
Penn State	500	Penn State	1,590	Penn State	1,765	Brown	3,246

Source: NACUBO

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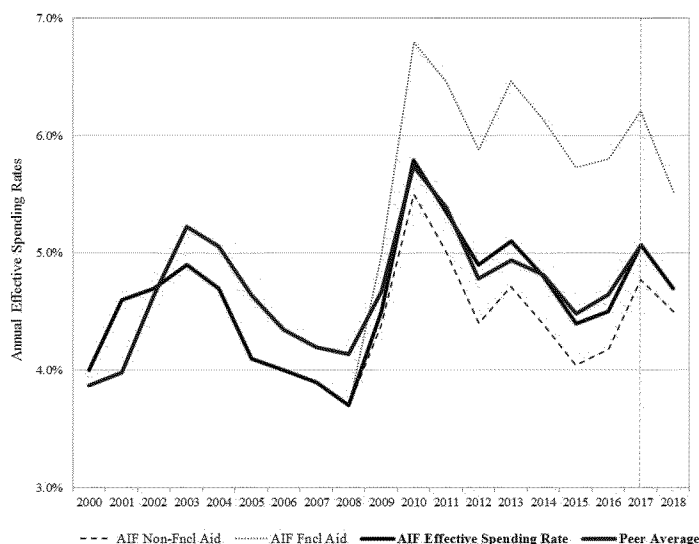
AIF Effective Spending Rate vs. Largest Private Universities

AIF Effective Spending Rate

The introduction of a higher spending target for financial aid units in fiscal 2009 brought Penn's blended effective spending rate in line with a peer average.

While the financial aid unit spending target was steadily reduced from 6.5% in fiscal 2009 to 5.3% in fiscal 2017, we expect Penn's future effective spending rates will closely match peer averages following the 2017 increase in spending target for non-financial aid units from 4.7% to 5.0%.

Beginning in fiscal 2018, all AIF endowments are using the same 5.0% spending target. Due to the smoothing component of Penn's spending rule, we expect that effective spending rates for financial aid units will converge to within 0.1% of effective spending rates for non-financial aid units by fiscal 2026.



Notes: Data from NACUBO. "Spending target" is defined as the spending rate used in Penn's spending rule. "Effective spending rate" is defined as net spending distributed to an endowment in a fiscal year divided the endowment's market value at the beginning of that fiscal year.

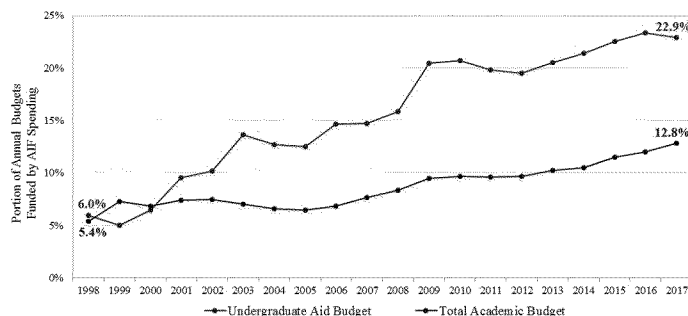


AIF Net Contribution to the Academic Budget

AIF's Net Contribution to the Undergraduate Aid and Total Academic Budgets

In fiscal 2017, the AIF contributed a net \$401 million* to Penn's \$3.1 billion academic budget (12.8% of budget). This includes a contribution of \$49 million to Penn's \$214 million budget for undergraduate aid (22.9% of budget).

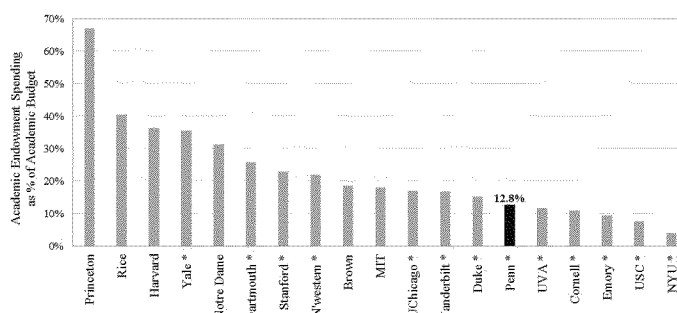
**Contribution is net of investment management and endowment assessment charges.*



Contribution to Total Academic Budget Relative to Peers

The 12.8% of Penn's academic budget that is funded by AIF spending is lower than that of most peers.

**Figures for these noted peers exclude endowment payouts and budgets for consolidated health systems.*





AIF Investment Returns and Peer Universe Rankings

Data for Periods ending 6/30/17

	1 Year	3 Year	5 Year	10 Year	20 Year
Penn AIF Return	14.3%	6.6%	10.2%	6.0%	7.4%
AIF Composite Benchmark	11.7%	3.8%	8.1%	4.9%	6.3%
Higher Education Inflation (HEPI)	3.7%	2.5%	2.4%	2.4%	3.1%
Peer universe median returns:					
Ten Large Endowments	12.6%	6.6%	10.0%	6.3%	10.5%
Endowments > \$1 bn (n=66)	13.5%	4.9%	8.7%	5.3%	8.6%
All Colleges & Universities (n=162)	13.2%	4.1%	8.0%	4.6%	7.1%
Penn's percentile rank among:					
Ten Large Endowments	20%	60%	50%	60%	100%
Endowments > \$1 bn (n=66)	30%	15%	11%	25%	72%
All Colleges & Universities (n=162)	24%	7%	6%	8%	37%

Ten Large Endowments includes Harvard, Yale, Stanford, Princeton, MIT, Penn, Northwestern, Columbia, Notre Dame, and Duke.

Source: Cambridge Associates

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Trailing Returns for Largest University Endowments

Annualized Returns for Periods ending 6/30/17

20 Year		10 Year		5 Year		1 Year	
Yale	12.1%	MIT	7.6%	Yale	11.7%	Texas	15.3%
Princeton	11.5%	UVA	7.3%	MIT	11.5%	California	15.1%
Duke	11.4%	Columbia	7.3%	Princeton	11.3%	Dartmouth	14.6%
MIT	11.4%	Princeton	7.1%	Dartmouth	10.7%	Ohio State	14.5%
UVA	11.0%	Notre Dame	6.6%	Notre Dame	10.3%	MIT	14.3%
Notre Dame	10.7%	Yale	6.6%	Penn	10.2%	Penn	14.3%
Stanford	10.4%	Dartmouth	6.5%	UVA	10.0%	NYU	14.1%
Dartmouth	10.3%	Rice	6.4%	Rice	9.9%	Rice	14.0%
Michigan	9.7%	Penn	6.0%	Columbia	9.7%	Texas A&M	13.9%
Harvard	9.5%	Duke	6.0%	California	9.5%	Pittsburgh	13.9%
Columbia	9.5%	Stanford	5.8%	Stanford	9.5%	Michigan	13.8%
UChicago	9.1%	Michigan	5.6%	Duke	9.3%	Columbia	13.7%
Rice	8.7%	Penn State	5.6%	Brown	9.1%	Brown	13.4%
Northwestern	8.6%	California	5.4%	Texas	9.0%	Stanford	13.1%
Brown	8.6%	Northwestern	5.4%	USC	8.9%	Johns Hopkins	13.0%
USC	8.4%	UChicago	5.4%	Michigan	8.9%	USC	12.9%
Vanderbilt	8.2%	Pittsburgh	5.3%	Northwestern	8.7%	Emory	12.8%
Texas	7.7%	Texas A&M	5.3%	Texas A&M	8.6%	Duke	12.7%
Texas A&M	7.6%	Brown	5.2%	Penn State	8.6%	Penn State	12.6%
Penn	7.4%	Johns Hopkins	5.1%	Emory	8.3%	Notre Dame	12.6%
Penn State	7.4%	USC	4.9%	Pittsburgh	8.2%	Princeton	12.5%
California	7.3%	Texas	4.8%	Johns Hopkins	8.0%	Cornell	12.5%
Pittsburgh	7.3%	Emory	4.8%	Ohio State	7.9%	UVA	12.4%
Cornell	7.1%	Wash U	4.5%	NYU	7.9%	Northwestern	12.2%
Johns Hopkins	7.0%	NYU	4.4%	Cornell	7.7%	Vanderbilt	11.5%
Wash U	6.7%	Harvard	4.3%	Harvard	7.6%	UChicago	11.4%
NYU	6.6%	Cornell	4.1%	Wash U	7.5%	Wash U	11.3%
Ohio State	5.5%	Vanderbilt	3.9%	UChicago	6.6%	Yale	11.3%
Emory	4.9%	Ohio State	3.4%	Vanderbilt	6.5%	Harvard	8.1%
Penn vs. Median	-1.1%	Penn vs. Median	+0.6%	Penn vs. Median	+1.3%	Penn vs. Median	+1.3%

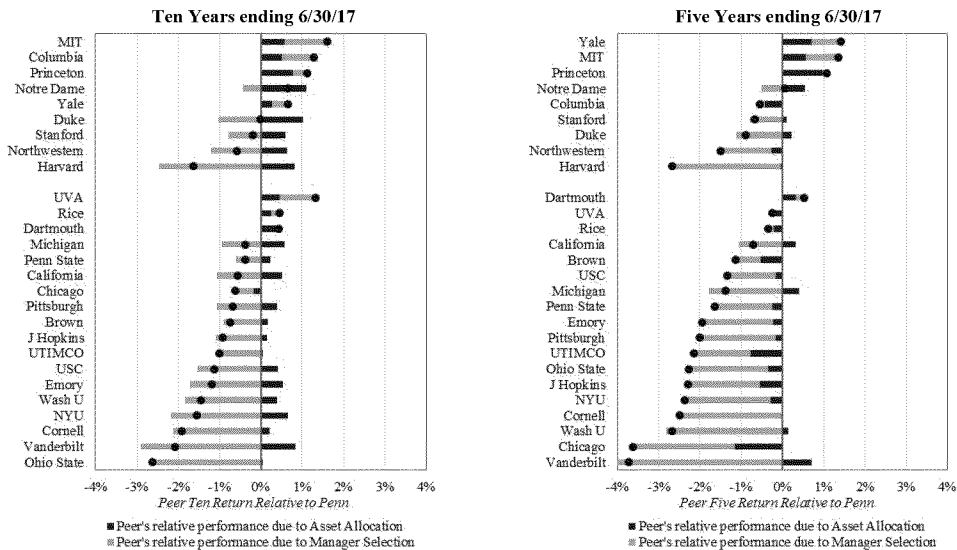
Source: Cambridge Associates

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Peer Return Attribution — Relative to Penn

Blue markers note a peer's performance relative to Penn. The red bars represent the portion of this relative performance that can be attributed to asset allocation, and the grey bars represent the portion that can be attributed to manager selection.

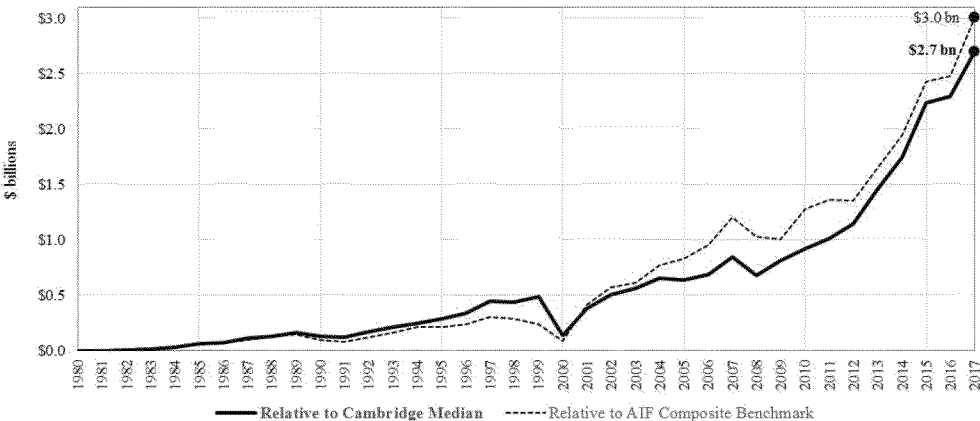


Note: We calculate hypothetical peer returns that would have resulted from investing in Penn's set of managers at the peer's asset class weights. We define the difference between this hypothetical return and Penn's actual return as the portion of a peer's return differential that is attributable to asset allocation. Any residual return is assumed to be broadly attributable to a difference in manager selection.



AIF Value Add

Relative to the median annual returns of college and university endowments tracked by Cambridge Associates, the AIF's investment performance has added \$2.7 billion of value since 1980. Relative to the AIF's composite benchmark, the AIF has added \$3.0 billion of value since 1980.



Note: This analysis is based on hypothetical endowments with annual investment returns equal to the Cambridge median return or the AIF's composite benchmark return. With annual cash flows (spending, gifts, and transfers) that matched the AIF's history, a hypothetical Cambridge median endowment would have ended fiscal year 2017 with a market value of \$8.2 billion, or \$2.7 billion less than the AIF's actual market value of \$10.9 billion. A hypothetical endowment invested in the AIF's composite benchmark would have ended fiscal year 2017 with a market value of \$7.9 billion, or \$3.0 billion less than the AIF's actual market value.